

## SENATE BILL No. 299

---

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-4.

**Synopsis:** Assessed value of homesteads. Provides, for assessment dates after February 29, 2008, that the assessed value of a homestead that changes ownership in the preceding year is the sale price of the homestead. Limits the annual increase in the assessed value of a homestead that results from trending to the lesser of 3% or the percentage change in the consumer price index.

**Effective:** Upon passage.

---

---

**Mrvan**

---

---

January 11, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

---

---

C  
o  
p  
y



First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 299

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-4-4, AS AMENDED BY P.L.228-2005,  
2       SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a  
4       physical inspection of all real property in Indiana, shall begin July 1,  
5       2000, and be the basis for taxes payable in 2003.

6       (b) A general reassessment, involving a physical inspection of all  
7       real property in Indiana, shall begin July 1, 2009, and each fifth year  
8       thereafter. Each reassessment under this subsection:

9           (1) shall be completed on or before March 1, of the year that  
10          succeeds by two (2) years the year in which the general  
11          reassessment begins; ~~and~~

12          (2) shall be the basis for taxes payable in the year following the  
13          year in which the general assessment is to be completed; **and**

14          **(3) does not apply to the determination of the assessed value**  
15          **of a homestead for which the assessed value is determined**  
16          **under section 4.6(b) of this chapter.**

17       (c) In order to ensure that assessing officials and members of each



C  
o  
p  
y

1 county property tax assessment board of appeals are prepared for a  
 2 general reassessment of real property, the department of local  
 3 government finance shall give adequate advance notice of the general  
 4 reassessment to the county and township taxing officials of each  
 5 county.

6 SECTION 2. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005,  
 7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 UPON PASSAGE]: Sec. 4.5. (a) The department of local government  
 9 finance shall adopt rules establishing a system for annually adjusting  
 10 the assessed value of real property to account for changes in value in  
 11 those years since a general reassessment of property last took effect.

12 (b) Subject to subsection (e) **and section 4.6 of this chapter**, the  
 13 system must be applied to adjust assessed values beginning with the  
 14 2006 assessment date and each year thereafter that is not a year in  
 15 which a reassessment becomes effective.

16 (c) The rules adopted under subsection (a) must include the  
 17 following characteristics in the system:

18 (1) Promote uniform and equal assessment of real property within  
 19 and across classifications.

20 (2) Require that assessing officials:

21 (A) reevaluate the factors that affect value;

22 (B) express the interactions of those factors mathematically;

23 (C) use mass appraisal techniques to estimate updated property  
 24 values within statistical measures of accuracy; and

25 (D) provide notice to taxpayers of an assessment increase that  
 26 results from the application of annual adjustments.

27 (3) Prescribe procedures that permit the application of the  
 28 adjustment percentages in an efficient manner by assessing  
 29 officials.

30 (d) The department of local government finance must review and  
 31 certify each annual adjustment determined under this section.

32 (e) In making the annual determination of the base rate to satisfy the  
 33 requirement for an annual adjustment under subsection (a), the  
 34 department of local government finance shall determine the base rate  
 35 using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of  
 36 the department of local government finance's Real Property Assessment  
 37 Guidelines (as in effect on January 1, 2005), except that the department  
 38 shall adjust the methodology to use a six (6) year rolling average  
 39 instead of a four (4) year rolling average.

40 SECTION 3. IC 6-1.1-4-4.6 IS ADDED TO THE INDIANA CODE  
 41 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
 42 UPON PASSAGE]: **Sec. 4.6. (a) The assessed value of a homestead**

C  
o  
p  
y



(as defined in IC 6-1.1-20.9-1) is determined under this section for assessment dates after February 29, 2008.

(b) Subject to subsection (e), if ownership of a homestead changes:

(1) after an assessment date; and

(2) before the immediately succeeding assessment date for which the assessed value is determined;

the assessed value of the homestead for the immediately succeeding assessment date is the price of the homestead required to be disclosed under IC 6-1.1-5.5-5(a)(13). This subsection applies regardless of whether the immediately succeeding assessment date for which the assessed value is determined is an assessment date for which a general reassessment of real property takes effect under section 4 of this chapter.

(c) The assessed value of a homestead is determined under subsection (d) for an assessment date that is not an assessment date:

(1) for which the assessed value of the homestead is determined under subsection (b); or

(2) for which a general reassessment of real property takes effect under section 4 of this chapter.

(d) Subject to subsection (e), the assessed value of a homestead for purposes of subsection (c) is as follows:

(1) For a homestead that was not subject to assessment for the immediately preceding assessment date, the assessed value as determined under the rules of the department of local government finance.

(2) For a homestead other than a homestead described in subdivision (1), the lesser of the following:

(A) The assessed value determined by applying the annual adjustment under section 4.5 of this chapter to the assessed value of the homestead for the immediately preceding assessment date.

(B) The assessed value determined by increasing the assessed value of the homestead for the immediately preceding assessment date by the lesser of the following:

(i) Three percent (3%).

(ii) The percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967 equals 100, or a successor report, for the immediately preceding calendar year as initially reported by the United States Department of Labor,

**C  
o  
p  
y**



**Bureau of Labor Statistics.**

**(e) The assessed value determination for a homestead must take into account changes to the physical characteristics of the homestead that occur after:**

**(1) the date of change of ownership for purposes of subsection (b); or**

**(2) the immediately preceding assessment date for purposes of subsection (d);**  
**and before the assessment date for which the assessed value is determined.**

**SECTION 4. An emergency is declared for this act.**

**C  
o  
p  
y**

